

Date Mailed April 6, 1998
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BEFORE THE

PUBLIC SERVICE COMMISSION OF WISCONSIN

Investigation on the Petition of WICOR, Inc.  
Into Reasonable Terms, Limitations and Conditions  
Which Relate to Future Investments by WICOR, Inc.

9401-YI-101

**NOTICE OF INVESTIGATION, AND ASSESSMENT OF COSTS**

On March 18, 1998, WICOR, Inc. (WICOR), a holding company which owns 100 percent of Wisconsin Gas Company's (Wisconsin Gas's) common stock, filed a petition with the Commission pursuant to s. 196.795 (11)(b), Stats., to rescind or modify the limitation on non-utility investment imposed by the Commission in docket 9401-YI-100. Wisconsin Gas is a public utility as defined in s. 196.01 (5), Stats. WICOR is a public utility holding company and is subject to regulation by this Commission under s. 196.795, Stats.

The Commission issued three orders in docket 9401-YI-100 which established or modified the limitation on non-utility investment by WICOR. In its May 22, 1987 order, the Commission established a \$15 million limit on WICOR's investment in non-utility assets. In its September 22, 1988 order, the Commission made technical revisions to the definition of non-utility investment. In its January 17, 1992 order, the Commission changed from a fixed investment limitation to one which was based on the equity of the non-utility investment relative to the equity of the utility, and the percentage of debt supporting the non-utility assets.

In its March 18, 1998, letter to the Commission, WICOR states that the current investment limitation is impairing its ability to expand its non-utility businesses which is detrimental to the public interest and to the interests of ratepayers and investors. It asks that the investment limitation be rescinded. If the Commission finds that removing the investment limitation altogether is not reasonable, WICOR asks that the limitation be expressed in terms of non-utility capitalization relative to total WICOR capitalization.

Copies of the petition can be obtained by written request to WICOR, Inc., 626 East Wisconsin Avenue, Milwaukee, Wisconsin 53702.

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This is a Type III action under s. PSC 4.10(3), Wis. Adm. Code. No unusual circumstances suggesting the likelihood of significant environmental consequences have come to the Commission's attention. Neither an environmental impact statement under s. 1.11, Stats., nor an environmental assessment is required.

**NOTICE IS HEREBY GIVEN** that the Commission deems it necessary in order to carry out its duties herein to investigate the books, accounts, practices, and activities of WICOR. The expenses incurred or to be incurred by the Commission which are reasonably attributable to such investigation will be assessed against and collected from WICOR in accordance with the provisions of s. 196.84 and s. PSC 6.03 (26), Wis. Adm. Code.

If there are any questions regarding this petition and subsequent investigation, please contact Steven Kihm in the Natural Gas Division at (608) 266-3708.

Dated at Madison, Wisconsin, \_\_\_\_\_

For the Commission.

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Anita Sprenger, Administrator  
Natural Gas Division

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